

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Application for Review of Decision of the Schools)	CC Docket No. 02-6
and Libraries Division, of the Universal Service)	
Administrative Company)	
)	
Appeals of Commitment Adjustments)	
)	
Funding Year: 2000-2001)	
Form 471 Application Number: 204551)	
Applicant: Erie-St. Paul Unified Sch. Dist. 101)	
)	
Funding Year: 2000-2001)	
Form 471 Application Number: 204380)	
Applicant: Winfield Unif. Sch. Dist. 465)	
)	
Funding Year: 2000-2001)	
Form 471 Application Number: 204639)	
Applicant: Yates Center Unif. Sch. Dist. 366)	
)	
Funding Year: 1999-2000)	
Form 471 Application Number: 149907)	
Applicant: Cherryvale Unif. Sch. Dist. 447)	
)	
Funding Year: 2000-2001)	
Form 471 Application Number: 204391)	
Applicant: Cherryvale Unif. Sch. Dist. 447)	
)	
Funding Year: 2000-2001)	
Form 471 Application Number: 204523)	
Applicant: Frontenac-Crawford Dist. 249)	

**REQUEST FOR REVIEW AND/OR WAIVER BY
SOUTHWESTERN BELL TELEPHONE COMPANY**

Southwestern Bell Telephone Company (SWBT) hereby appeals six (6) Commitment Adjustment Letters, each dated May 21, 2004, from the Universal Service Administrative

Company (“USAC”) to SWBT.¹ In those letters, USAC states that it is rescinding funding for telecommunications services provided by SWBT to the Erie-St. Paul Unif. Sch. Dist. 101 (“Erie-St. Paul”), Winfield Unif. School Dist. 465 (“Winfield”), Yates Center Unif. Sch. Dist. 366 (“Yates”), Cherryvale Unif. Sch. Dist. 447 (“Cherryvale”), and Frontenac-Crawford Dist. 204523 (“Frontenac-Crawford”) – collectively, the “Applicants” – during funding years 1999-2000 (Cherryvale) and 2000-2001 (Erie-St. Paul, Winfield, Yates, Cherryvale, and Frontenac-Crawford). In each case, USAC states that it is rescinding funding on the grounds that USAC had determined that the contact person identified on the Applicants’ Forms 470 (*i.e.*, Denise Bodensteiner) was “associated with Southeast Educational Service Center, a service provider . . . which violates the intent of the competitive bidding process.”² Each of the Comad Letters further state that, “[a]s a result of the competitive bidding violation the SLD is rescinding the committed amount in full.”³

There is no suggestion in any of the Comad Letters that SWBT is responsible in any way for the Applicants’ purported failure to comply with the intent of the competitive bidding rules, nor is there any claim that SWBT was or should have been aware that Denise Bodensteiner, the contact person identified on each Applicant’s Form 470, was associated with a service provider (*i.e.*, Southeast Educational Service Center) when SWBT obtained reimbursement from USAC for telecommunications services provided to the Applicants.⁴ Yet, under existing procedures,

¹ Letter of USAC to E-Rate Service Center, SWBT re: Form 471 Application Number 204551 (attached hereto as Exhibit 1); Letter of USAC to E-Rate Service Center, SWBT re: Form 471 Application Number 204380 (attached hereto as Exhibit 2); Letter of USAC to E-Rate Service Center, SWBT re: Form 471 Application Number 204639 (attached hereto as Exhibit 3); Letter of USAC to E-Rate Service Center, SWBT re: Form 471 Application Number 149907 (attached hereto as Exhibit 4); Letter of USAC to E-Rate Service Center, SWBT re: Form 471 Application Number 204391 (attached hereto as Exhibit 5); Letter of USAC to E-Rate Service Center, SWBT re: Form 471 Application Number 204523 (attached hereto as Exhibit 6) (collectively, “Comad Letters”).

² Exhibit 1 at 4; Exhibit 2 at 4; Exhibit 3 at 4; Exhibit 4 at 4; Exhibit 5 at 4; Exhibit 6 at 4.

³ Exhibit 1 at 4; Exhibit 2 at 4; Exhibit 3 at 4; Exhibit 4 at 4; Exhibit 5 at 4; Exhibit 6 at 4.

⁴ Indeed, the Comad Letters do not even allege that the Applicants violated the competitive bidding rules, only that the “Form 470 associated with [each] funding request contains service provider (SP) contact information, which *violates the intent of the competitive bidding process.*” Exhibit 1 at 4; Exhibit 2 at 4; Exhibit 3 at 4; Exhibit 4 at 4; Exhibit 5 at 4; and Exhibit 6 at 4 (emphasis added).

USAC seeks to recover funds erroneously or improperly disbursed only from service providers, regardless of whether the service provider was responsible for the disbursement or could have done anything to prevent the error. These procedures are inequitable and inefficient, and undermine service providers' incentives to participate in e-rate projects. For these reasons, SWBT has urged the Commission to develop new COMAD procedures that focus on the party or parties that are responsible for, or benefited from, e-rate funds, and thus promote accountability and incentives for all parties to comply with e-rate rules.⁵ In the meantime, where, as here, a service provider already has disbursed e-rate funds to the applicant, and is not responsible for the erroneous or improper disbursement of funds, the Commission should, to the extent necessary, waive existing procedures, and instruct USAC to seek reimbursement directly from the applicant.

I. BACKGROUND

On May 21, USAC sent SWBT the Comad Letters, notifying SWBT that USAC was rescinding in full e-rate funding committed respectively to Erie-St. Paul pursuant to FRN 468173 and FRN 484023,⁶ Winfield pursuant to FRN 468697,⁷ Yates pursuant to FRN 468197,⁸ Cherryvale pursuant to FRN 296212 and FRN 296223,⁹ Cherryvale pursuant to FRN 475613 and FRN 475618,¹⁰ and Frontenac-Crawford pursuant to FRN 468665,¹¹ due to non-compliance with the e-rate rules. In each case, USAC's sole explanation for rescinding funding was:

After a thorough investigation, it has been determined that Denise Bodensteiner is associated with Southeast Educational Service Center, a service provider. Denise Bodensteiner is also the contact person on the Form 470: . . . that is referenced

⁵ Comments of SBC Communications Inc., CC Docket No. 02-6 (filed Mar. 11, 2004) (SBC Comments). SWBT is a wholly-owned subsidiary of SBC.

⁶ Exhibit 1 at 4.

⁷ Exhibit 2 at 4.

⁸ Exhibit 3 at 4.

⁹ Exhibit 4 at 4.

¹⁰ Exhibit 5 at 4.

¹¹ Exhibit 6 at 4.

for this funding request. The Form 470 associated with this funding request contains service provider (SP) contact information, which violates the intent of the competitive bidding process. Competitive bidding violation occurs when a SP associated with the Form 470 participates in competitive bidding process as a bidder. As a result of the competitive bidding violation the SLD is rescinding the committed amount in full.¹²

USAC further informed SWBT that USAC soon would seek to recover from SWBT all of the funds disbursed and distributed respectively to Erie-St. Paul (which were \$8,395.20 pursuant to FRN 468173 and \$6,445.44 pursuant to FRN 484023),¹³ Winfield (which were \$12,379.18 pursuant to FRN 468697),¹⁴ Yates (which were \$8,316 pursuant to FRN 468197),¹⁵ Cherryvale (which were \$14,796.91 pursuant to FRN 296212¹⁶ and \$9,873.00 pursuant to FRN 296223,¹⁷ and \$9,540.30 pursuant to FRN 475613¹⁸ and \$14,992.25 pursuant to FRN 475618¹⁹), and Frontenac-Crawford (which were \$5,306.40 pursuant to FRN 468665), or a total of \$90,044.68, for telecommunications services provided by SWBT between three and four years ago.

II. DISCUSSION

The Commission should require USAC to seek reimbursement of the funds at issue directly from the Applicants and, to the extent necessary, waive any procedures that might provide for recovery of such funds from SWBT. In 1999, the Commission first required USAC to adjust commitments for e-rate funding disbursed in violation of the 1996 Act, and directed it to develop a plan for recovering funding improperly or erroneously disbursed.²⁰ In a companion

¹² Exhibit 1 at 4; Exhibit 2 at 4; Exhibit 3 at 4; Exhibit 4 at 4; Exhibit 5 at 4; and Exhibit 6 at 4.

¹³ Exhibit 1 at 4.

¹⁴ Exhibit 2 at 4.

¹⁵ Exhibit 3 at 4.

¹⁶ Exhibit 4 at 4.

¹⁷ *Id.*

¹⁸ Exhibit 5 at 4.

¹⁹ *Id.*

²⁰ *Changes to the Board of Directors of the Nat'l Exchange Carrier Ass'n; Federal-State Joint Board on Universal Service*, CC Docket Nos. 97-21 and 96-45, FCC 99-291 (rel. Oct. 8, 1999) (*Comad Order*).

order, the Commission waived recovery of funds disbursed or committed in violation of four Commission rules on the ground that affected applicants or service providers may have reasonably relied on the funding commitments by USAC.²¹ The following year, the Commission approved USAC's recovery plan, which generally provided for USAC to recover improperly disbursed e-rate funds from service providers, rather than applicants.²² The Commission justified seeking recovery from service providers solely on the ground that "service providers actually receive disbursements of funds from the universal service support mechanism."²³ But, even then, the Commission acknowledged that these general procedures (*i.e.*, recovering funds from service providers) would not necessarily apply in all cases, "emphasiz[ing]" that these procedures would not apply in cases where the applicant "has engaged in waste, fraud, or abuse."²⁴

Application of the general Comad procedures where, as here, the service provider has complied with the e-rate rules exalts form over substance; is inequitable and inefficient; undermines incentives for Applicants to comply with the rules; and would discourage participation in the program. First, the mere fact that service providers, rather than applicants, "actually receive disbursement of funds" is irrelevant. Regardless of whom funds are "actually disbursed" to, it is the applicant, not the service provider, to whom e-rate funds are committed and which receives the benefits of such funds. Even if funds are disbursed to the service provider, the service provider cannot retain them, but rather must pass them through to the applicant through reimbursements or discounts. The service provider thus is merely a conduit

²¹ *Changes to the Board of Directors of the Nat'l Exchange Carrier Ass'n; Federal-State Joint Board on Universal Service*, CC Docket Nos. 97-21 and 96-45, 15 FCC Rcd 7197, para. 7 (1999) (*Waiver Order*).

²² *Changes to the Board of Directors of the Nat'l Exchange Carrier Ass'n; Federal-State Joint Board on Universal Service*, CC Docket Nos. 97-21 and 96-45, 15 FCC Rcd 22975 (2000) (*Comad Implementation Order*).

²³ *Id.* at para. 8. The Commission stated that, in cases of applicant error, it expected service providers to recover from applicants any funds recovered from the service provider by USAC.

²⁴ *Id.* at para. 13.

for the delivery of funds to the applicant. Consequently, it is the applicant, not the service provider, that owes a debt to the United States if funds are erroneously disbursed (except where the service provider itself has failed to comply with the e-rate rules). USAC therefore should seek recovery of such funds (either through demand or referral to the Justice Department) directly from the applicant where such funds were improperly disbursed due to applicant error or malfeasance.

Second, requiring SWBT to repay USAC for the disbursed funds in this context would be inefficient and patently inequitable. USAC does not assert, nor could it, that SWBT was in any way at fault for the Applicants' failures to comply with the competitive bidding rules (assuming they actually did fail to comply) or that SWBT could have done anything to prevent it. In fact, the failure identified was utterly beyond SWBT's control, and there was no way (or at least no reasonable way) SWBT could have known that the contact person identified on each Applicant's Form 470 (that is, Denise Bodensteiner) was associated with a service provider when SWBT obtained reimbursement from USAC for telecommunications services provided to the Applicants. As the Comad Letters make clear, Ms. Bodensteiner was not an employee or otherwise associated with SWBT; rather, she was associated with Southeast Educational Service Center. Consequently, SWBT had no reason to question whether Ms. Bodensteiner was an appropriate contact person, assuming SWBT even had any contact with Ms. Bodensteiner (which is unlikely because the services at issue in each of the Comad Letters were tariffed, month-to-month services for which SWBT did not submit a bid). Thus, like USAC, SWBT was forced to rely entirely on the Applicant's certifications that they had complied with this (and other) e-rate program requirements. And there was no way that SWBT could have prevented the disbursement of funds to the Applicants or taken steps to remedy the Applicants' non-compliance with the e-rate rules in this case before providing discounted service over three years ago.

Requiring SWBT to repay the erroneously disbursed funds to USAC would force SWBT either to try to recover the funds from the Applicants (which likely will be costly and time-

consuming, and may be impossible), or absorb the loss. Either way, recovery from SWBT will increase costs for all concerned, and unfairly punish SWBT (which reasonably relied on USAC's funding commitment and the Applicants' certifications of compliance with e-rate requirements) for the mistakes of the Applicants. And, if SWBT cannot recover the funds from the Applicants, the Applicants will receive a windfall to which they were not entitled.

Third, seeking reimbursement from SWBT also would fail to provide proper incentives for the Applicants, and other applicants, to ensure that they have complied fully with e-rate program requirements. As noted above, requiring SWBT to refund e-rate monies improperly disbursed due to applicant error would force SWBT to seek recovery from the applicant. But obtaining such recovery likely will be difficult because SWBT's only recourse, if an applicant fails to reimburse SWBT for such funds, is to threaten to cut off service, which, of course, is unrealistic in light of the public safety and public interest implications of such action. Only by seeking refunds directly from applicants, and denying future e-rate funding if an applicant fails to repay improperly disbursed funds, will the Commission provide appropriate incentives for all program participants to comply with the rules.

Finally, requiring SWBT and other service providers to repay e-rate funds where, as here, an applicant has failed to comply with the e-rate rules will reduce service providers' incentives to bid on e-rate projects, which, in turn, will reduce competition for e-rate contracts. In the end, both consumers and applicants will suffer as e-rate costs increase and e-rate funding (which is capped) fails to be used as productively as it otherwise would.

In any event, under the unique circumstances of this case, the Commission should waive recovery of the erroneously disbursed funds altogether. As noted above, Denise Bodensteiner is not an employee of, or in any way associated with, SWBT. As a consequence, even if she was associated with a service provider (which is by no means clear),²⁵ she would have had no reason

²⁵ In each of the Comad Letters, USAC asserts that Ms. Bodensteiner is "associated with the Southeast Educational Service Center, a service provider." Exhibit 1 at 4; Exhibit 2 at 4; Exhibit 3 at 4; Exhibit 4 at 4; Exhibit 5 at 4; and Exhibit 6 at 4. According to its website, the Southeast Educational Service Center is a consortium of school districts in Kansas classified as an interlocal school district under Kansas state law. <http://www.greenbush.org/>. SWBT has

to favor SWBT, and thus subvert the competitive bid process. Moreover, all of the services at issue were tariffed, month-to-month services, for which SWBT did not submit bids. Thus, even if Ms. Bodensteiner were associated with a service provider, there is no basis for concluding that including her as the contact person on the Applicants' Forms 470 for telecommunications services purchased under tariff from SWBT in any way "violate[d] the intent of the competitive bidding process," as USAC claims.²⁶ In these circumstances, requiring reimbursement would exalt form over substance. Because there is no evidence of fraud or other malfeasance, the Commission should waive recovery altogether.

III. CONCLUSION

For the foregoing reasons, the Commission should direct USAC not to seek reimbursement of funds from SWBT in this case. Rather, if the Commission determines that recovery of funds is appropriate here, it should (to the extent necessary) waive existing procedures and instruct USAC to look directly to the Applicants for reimbursement.

Respectfully submitted,

/s/ Christopher M. Heimann

CHRISTOPHER M. HEIMANN
GARY L. PHILLIPS
PAUL K. MANCINI

Counsel for Southwestern Bell Telephone Company

1401 Eye Street, N.W., Suite 400
Washington, D.C. 20005
202-326-8909 – Voice
202-326-8745 – Facsimile

July 20, 2004

no idea whether the Service Center functions as a service provider, or what role Ms. Bodensteiner played, if any, in each Applicant's procurement and/or application processes.

²⁶ Exhibit 1 at 4; Exhibit 2 at 4; Exhibit 3 at 4; Exhibit 4 at 4; Exhibit 5 at 4; and Exhibit 6 at 4.

Exhibit 1



Universal Service Administrative Company
Schools & Libraries Division

COMMITMENT ADJUSTMENT LETTER

May 21, 2004

E-Rate Service Center
Southwestern Bell Telephone Company
406 North Carancahua, Room 450
Corpus Christi, TX 78401

Re: COMMITMENT ADJUSTMENT

Funding Year 2000 -2001

Form 471 Application Number: 204551

Applicant Name ERIE-ST PAUL UNIF SCH DIST 101

Contact Person: DENISE BODENSTEINE Contact Phone: 316-724-6281

Dear Service Provider Contact:

Our routine reviews of Schools and Libraries Program funding commitments revealed certain applications where funds were committed in violation of program rules.

In order to be sure that no funds are used in violation of program rules, SLD must now adjust these funding commitments. The purpose of this letter is to inform you of the adjustments to these funding commitments required by program rules.

FUNDING COMMITMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Report for the Form 471 application cited above. The enclosed report includes a list of the FRNs from the application for which adjustments are necessary. The SLD is also sending this information to applicant, so that you may work with them to implement this decision. Immediately preceding the Funding Commitment Report, you will find a guide that defines each line of the Report.

Please note that if the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the funds disbursed. The amount is shown as Funds to be Recovered. We expect to send you a letter describing the process for recovering these funds in the near future, and we will send a copy of the letter to the applicant. If the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount.

TO APPEAL THIS DECISION:

If you wish to appeal the Funding Commitment Decision indicated in this letter, your appeal must be POSTMARKED within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and e-mail address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify which Commitment Adjustment Letter you are appealing. Your letter of appeal must include the Billed Entity Name, the Form 471 Application Number, and the Billed Entity Number from the top of your letter.
3. When explaining your appeal, copy the language or text from the Commitment Adjustment Letter that is at the heart of your appeal to allow the SLD to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep copies of your correspondence and documentation.
4. Provide an authorized signature on your letter of appeal.

If you are submitting your appeal on paper, please send your appeal to: Letter of Appeal, Schools and Libraries Division, Box 125- Correspondence Unit, 80 South Jefferson Road, Whippany, NJ 07981. Additional options for filing an appeal can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We encourage the use of either the e-mail or fax filing options.

While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC). You should refer to CC Docket Nos. on the first page of your appeal to the FCC. Your appeal must be POSTMARKED within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site, or by contacting the Client Service Bureau. We strongly recommend that you use either the e-mail or fax filing options.

A GUIDE TO THE FUNDING COMMITMENT REPORT

Attached to this letter will be a report for each funding request from your application for which a commitment adjustment is required. We are providing the following definitions.

- **FUNDING REQUEST NUMBER (FRN):** A Funding Request Number is assigned by the SLD to each request in Block 5 of your Form 471 once an application has been processed. This number is used to report to applicants and service providers the status of individual discount funding requests submitted on a Form 471.
- **SPIN (Service Provider Identification Number):** A unique number assigned by the Universal Service Administrative Company to service providers seeking payment from the Universal Service Fund for participating in the universal service support programs.
- **SERVICE PROVIDER:** The legal name of the service provider.
- **CONTRACT NUMBER:** The number of the contract between the eligible party and the service provider. This will be present only if a contract number was provided on Form 471.
- **SERVICES ORDERED:** The type of service ordered from the service provider, as shown on Form 471.
- **SITE IDENTIFIER:** The Entity Number listed in Form 471 for "site specific" FRNs.
- **BILLING ACCOUNT NUMBER:** The account number that your service provider has established with you for billing purposes. This will be present only if a Billing Account Number was provided on your Form 471.
- **ADJUSTED FUNDING COMMITMENT:** This represents the adjusted total amount of funding that SLD has committed to this FRN. If this amount exceeds the Funds Disbursed to Date, the SLD will continue to process properly filed invoices up to the new commitment amount.
- **FUNDS DISBURSED TO DATE:** This represents the total funds which have been paid up to now to the identified service provider for this FRN.
- **FUNDS TO BE RECOVERED:** This represents the amount of Funds Disbursed to Date that exceed the Adjusted Funding Commitment amount. These funds will have to be recovered. If the Funds Disbursed to Date do not exceed the Adjusted Funding Commitment amount, this entry will be \$0.
- **FUNDING COMMITMENT ADJUSTMENT EXPLANATION:** This entry provides a description of the reason the adjustment was made.

Funding Commitment Report for Application Number: 204551

Funding Request Number 468173 SPIN: 143004662

Service Provider: Southwestern Bell Telephone Company

Contract Number: MTM

Services Ordered: TELCOMM SERVICES

Site Identifier: 77173 ERIE HIGH SCHOOL

Billing Account Number: NA

Adjusted Funding Commitment: \$0.00

Funds Disbursed to Date: \$8,395.20

Funds to be Recovered: \$8,395.20

Funding Commitment Adjustment Explanation:

After thorough investigation it has been determined that Denise Bodensteiner is associated with Southeast Educational Service Center, a service provider. Denise Bodensteiner is also the contact person on the Form 470: 774980000274415 that is referenced for this funding request. The Form 470 associated with this funding request contains service provider (SP) contact information, which violates the intent of the competitive bidding process. Competitive bidding violation occurs when a SP associated with the Form 470 participates in competitive bidding process as a bidder. As a result of the competitive bidding violation the SLD is rescinding the committed amount in full.

Funding Request Number 484023 SPIN: 143004662

Service Provider: Southwestern Bell Telephone Company

Contract Number: T

Services Ordered: TELCOMM SERVICES

Site Identifier:

Billing Account Number: 2100770830362

Adjusted Funding Commitment: \$0.00

Funds Disbursed to Date: \$6,445.44

Funds to be Recovered: \$6,445.44

Funding Commitment Adjustment Explanation:

After thorough investigation it has been determined that Denise Bodensteiner is associated with Southeast Educational Service Center, a service provider. Denise Bodensteiner is also the contact person on the Form 470: 774980000274415 that is referenced for this funding request. The Form 470 associated with this funding request contains service provider (SP) contact information, which violates the intent of the competitive bidding process. Competitive bidding violation occurs when a SP associated with the Form 470 participates in competitive bidding process as a bidder. As a result of the competitive bidding violation the SLD is rescinding the committed amount in full.

Exhibit 2



Universal Service Administrative Company
Schools & Libraries Division

COMMITMENT ADJUSTMENT LETTER

May 21, 2004

E-Rate Service Center
Southwestern Bell Telephone Company
406 North Carancahua, Room 450
Corpus Christi, TX 78401

Re: COMMITMENT ADJUSTMENT

Funding Year 2000 -2001

Form 471 Application Number: 204380

Applicant Name WINFIELD UNIF SCHOOL DIST 465

Contact Person: DENISE BODENSTEINE Contact Phone: 316-724-6281

Dear Service Provider Contact:

Our routine reviews of Schools and Libraries Program funding commitments revealed certain applications where funds were committed in violation of program rules.

In order to be sure that no funds are used in violation of program rules, SLD must now adjust these funding commitments. The purpose of this letter is to inform you of the adjustments to these funding commitments required by program rules.

FUNDING COMMITMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Report for the Form 471 application cited above. The enclosed report includes a list of the FRNs from the application for which adjustments are necessary. The SLD is also sending this information to applicant, so that you may work with them to implement this decision. Immediately preceding the Funding Commitment Report, you will find a guide that defines each line of the Report.

Please note that if the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the funds disbursed. The amount is shown as Funds to be Recovered. We expect to send you a letter describing the process for recovering these funds in the near future, and we will send a copy of the letter to the applicant. If the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount.

TO APPEAL THIS DECISION:

If you wish to appeal the Funding Commitment Decision indicated in this letter, your appeal must be POSTMARKED within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and e-mail address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify which Commitment Adjustment Letter you are appealing. Your letter of appeal must include the Billed Entity Name, the Form 471 Application Number, and the Billed Entity Number from the top of your letter.
3. When explaining your appeal, copy the language or text from the Commitment Adjustment Letter that is at the heart of your appeal to allow the SLD to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep copies of your correspondence and documentation.
4. Provide an authorized signature on your letter of appeal.

If you are submitting your appeal on paper, please send your appeal to: Letter of Appeal, Schools and Libraries Division, Box 125- Correspondence Unit, 80 South Jefferson Road, Whippany, NJ 07981. Additional options for filing an appeal can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We encourage the use of either the e-mail or fax filing options.

While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC). You should refer to CC Docket Nos. on the first page of your appeal to the FCC. Your appeal must be POSTMARKED within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site, or by contacting the Client Service Bureau. We strongly recommend that you use either the e-mail or fax filing options.

A GUIDE TO THE FUNDING COMMITMENT REPORT

Attached to this letter will be a report for each funding request from your application for which a commitment adjustment is required. We are providing the following definitions.

- **FUNDING REQUEST NUMBER (FRN):** A Funding Request Number is assigned by the SLD to each request in Block 5 of your Form 471 once an application has been processed. This number is used to report to applicants and service providers the status of individual discount funding requests submitted on a Form 471.
- **SPIN (Service Provider Identification Number):** A unique number assigned by the Universal Service Administrative Company to service providers seeking payment from the Universal Service Fund for participating in the universal service support programs.
- **SERVICE PROVIDER:** The legal name of the service provider.
- **CONTRACT NUMBER:** The number of the contract between the eligible party and the service provider. This will be present only if a contract number was provided on Form 471.
- **SERVICES ORDERED:** The type of service ordered from the service provider, as shown on Form 471.
- **SITE IDENTIFIER:** The Entity Number listed in Form 471 for "site specific" FRNs.
- **BILLING ACCOUNT NUMBER:** The account number that your service provider has established with you for billing purposes. This will be present only if a Billing Account Number was provided on your Form 471.
- **ADJUSTED FUNDING COMMITMENT:** This represents the adjusted total amount of funding that SLD has committed to this FRN. If this amount exceeds the Funds Disbursed to Date, the SLD will continue to process properly filed invoices up to the new commitment amount.
- **FUNDS DISBURSED TO DATE:** This represents the total funds which have been paid up to now to the identified service provider for this FRN.
- **FUNDS TO BE RECOVERED:** This represents the amount of Funds Disbursed to Date that exceed the Adjusted Funding Commitment amount. These funds will have to be recovered. If the Funds Disbursed to Date do not exceed the Adjusted Funding Commitment amount, this entry will be \$0.
- **FUNDING COMMITMENT ADJUSTMENT EXPLANATION:** This entry provides a description of the reason the adjustment was made.

Funding Commitment Report for Application Number: 204380

Funding Request Number 468697 SPIN: 143004662

Service Provider: Southwestern Bell Telephone Company

Contract Number: T

Services Ordered: TELCOMM SERVICES

Site Identifier:

Billing Account Number: NA

Adjusted Funding Commitment: \$0.00

Funds Disbursed to Date: \$12,379.18

Funds to be Recovered: \$12,379.18

Funding Commitment Adjustment Explanation:

After thorough investigation it has been determined that Denise Bodensteiner is associated with Southeast Educational Service Center, a service provider. Denise Bodensteiner is also the contact person on the Form 470: 774980000274415 that is referenced for this funding request. The Form 470 associated with this funding request contains service provider (SP) contact information, which violates the intent of the competitive bidding process. Competitive bidding violation occurs when a SP associated with the Form 470 participates in competitive bidding process as a bidder. As a result of the competitive bidding violation the SLD is rescinding the committed amount in full.

Exhibit 3



Universal Service Administrative Company
Schools & Libraries Division

COMMITMENT ADJUSTMENT LETTER

May 21, 2004

E-Rate Service Center
Southwestern Bell Telephone Company
406 North Carancahua, Room 450
Corpus Christi, TX 78401

Re: COMMITMENT ADJUSTMENT

Funding Year 2000 -2001

Form 471 Application Number: 204639

Applicant Name YATES CENTER UNIF SCH DIST 366

Contact Person: DENISE BODENSTEINE Contact Phone: 316-724-6281

Dear Service Provider Contact:

Our routine reviews of Schools and Libraries Program funding commitments revealed certain applications where funds were committed in violation of program rules.

In order to be sure that no funds are used in violation of program rules, SLD must now adjust these funding commitments. The purpose of this letter is to inform you of the adjustments to these funding commitments required by program rules.

FUNDING COMMITMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Report for the Form 471 application cited above. The enclosed report includes a list of the FRNs from the application for which adjustments are necessary. The SLD is also sending this information to applicant, so that you may work with them to implement this decision. Immediately preceding the Funding Commitment Report, you will find a guide that defines each line of the Report.

Please note that if the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the funds disbursed. The amount is shown as Funds to be Recovered. We expect to send you a letter describing the process for recovering these funds in the near future, and we will send a copy of the letter to the applicant. If the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount.

TO APPEAL THIS DECISION:

If you wish to appeal the Funding Commitment Decision indicated in this letter, your appeal must be **POSTMARKED** within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and e-mail address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify which Commitment Adjustment Letter you are appealing. Your letter of appeal must include the Billed Entity Name, the Form 471 Application Number, and the Billed Entity Number from the top of your letter.
3. When explaining your appeal, copy the language or text from the Commitment Adjustment Letter that is at the heart of your appeal to allow the SLD to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep copies of your correspondence and documentation.
4. Provide an authorized signature on your letter of appeal.

If you are submitting your appeal on paper, please send your appeal to: Letter of Appeal, Schools and Libraries Division, Box 125- Correspondence Unit, 80 South Jefferson Road, Whippany, NJ 07981. Additional options for filing an appeal can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We encourage the use of either the e-mail or fax filing options.

While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC). You should refer to CC Docket Nos. on the first page of your appeal to the FCC. Your appeal must be **POSTMARKED** within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site, or by contacting the Client Service Bureau. We strongly recommend that you use either the e-mail or fax filing options.

A GUIDE TO THE FUNDING COMMITMENT REPORT

Attached to this letter will be a report for each funding request from your application for which a commitment adjustment is required. We are providing the following definitions.

- **FUNDING REQUEST NUMBER (FRN):** A Funding Request Number is assigned by the SLD to each request in Block 5 of your Form 471 once an application has been processed. This number is used to report to applicants and service providers the status of individual discount funding requests submitted on a Form 471.
- **SPIN (Service Provider Identification Number):** A unique number assigned by the Universal Service Administrative Company to service providers seeking payment from the Universal Service Fund for participating in the universal service support programs.
- **SERVICE PROVIDER:** The legal name of the service provider.
- **CONTRACT NUMBER:** The number of the contract between the eligible party and the service provider. This will be present only if a contract number was provided on Form 471.
- **SERVICES ORDERED:** The type of service ordered from the service provider, as shown on Form 471.
- **SITE IDENTIFIER:** The Entity Number listed in Form 471 for "site specific" FRNs.
- **BILLING ACCOUNT NUMBER:** The account number that your service provider has established with you for billing purposes. This will be present only if a Billing Account Number was provided on your Form 471.
- **ADJUSTED FUNDING COMMITMENT:** This represents the adjusted total amount of funding that SLD has committed to this FRN. If this amount exceeds the Funds Disbursed to Date, the SLD will continue to process properly filed invoices up to the new commitment amount.
- **FUNDS DISBURSED TO DATE:** This represents the total funds which have been paid up to now to the identified service provider for this FRN.
- **FUNDS TO BE RECOVERED:** This represents the amount of Funds Disbursed to Date that exceed the Adjusted Funding Commitment amount. These funds will have to be recovered. If the Funds Disbursed to Date do not exceed the Adjusted Funding Commitment amount, this entry will be \$0.
- **FUNDING COMMITMENT ADJUSTMENT EXPLANATION:** This entry provides a description of the reason the adjustment was made.

Funding Commitment Report for Application Number: 204639

Funding Request Number 468197 SPIN: 143004662
Service Provider: Southwestern Bell Telephone Company
Contract Number: MTM
Services Ordered: TELCOMM SERVICES
Site Identifier: 77228 YATES CENTER HIGH SCHOOL
Billing Account Number: N/A
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date: \$8,316.00
Funds to be Recovered: \$8,316.00

Funding Commitment Adjustment Explanation:

After thorough investigation it has been determined that Denise Bodensteiner is associated with Southeast Educational Service Center, a service provider. Denise Bodensteiner is also the contact person on the Form 470: 774980000274415 that is referenced for this funding request. The Form 470 associated with this funding request contains service provider (SP) contact information, which violates the intent of the competitive bidding process. Competitive bidding violation occurs when a SP associated with the Form 470 participates in competitive bidding process as a bidder. As a result of the competitive bidding violation the SLD is rescinding the committed amount in full.

Exhibit 4



Universal Service Administrative Company
Schools & Libraries Division

COMMITMENT ADJUSTMENT LETTER

May 21, 2004

E-Rate Service Center
Southwestern Bell Telephone Company
406 North Carancahua, Room 450
Corpus Christi, TX 78401 0000

Re: COMMITMENT ADJUSTMENT

Funding Year 1999 -2000

Form 471 Application Number: 149907

Applicant Name CHERRYVALE UNIF SCH DIST 447

Contact Person: DENISE BODENSTEINE Contact Phone: 316-724-6281

Dear Service Provider Contact:

Our routine reviews of Schools and Libraries Program funding commitments revealed certain applications where funds were committed in violation of program rules.

In order to be sure that no funds are used in violation of program rules, SLD must now adjust these funding commitments. The purpose of this letter is to inform you of the adjustments to these funding commitments required by program rules.

FUNDING COMMITMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Report for the Form 471 application cited above. The enclosed report includes a list of the FRNs from the application for which adjustments are necessary. The SLD is also sending this information to applicant, so that you may work with them to implement this decision. Immediately preceding the Funding Commitment Report, you will find a guide that defines each line of the Report.

Please note that if the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the funds disbursed. The amount is shown as Funds to be Recovered. We expect to send you a letter describing the process for recovering these funds in the near future, and we will send a copy of the letter to the applicant. If the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount.

TO APPEAL THIS DECISION:

If you wish to appeal the Funding Commitment Decision indicated in this letter, your appeal must be **POSTMARKED** within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and e-mail address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify which **Commitment Adjustment Letter** you are appealing. Your letter of appeal must include the **Billed Entity Name**, the **Form 471 Application Number**, and the **Billed Entity Number** from the top of your letter.
3. When explaining your appeal, copy the language or text from the **Commitment Adjustment Letter** that is at the heart of your appeal to allow the SLD to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep copies of your correspondence and documentation.
4. Provide an authorized signature on your letter of appeal.

If you are submitting your appeal on paper, please send your appeal to: **Letter of Appeal, Schools and Libraries Division, Box 125- Correspondence Unit, 80 South Jefferson Road, Whippany, NJ 07981**. Additional options for filing an appeal can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We encourage the use of either the e-mail or fax filing options.

While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC). You should refer to CC Docket Nos. on the first page of your appeal to the FCC. Your appeal must be **POSTMARKED** within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: **FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554**. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site, or by contacting the Client Service Bureau. We strongly recommend that you use either the e-mail or fax filing options.

A GUIDE TO THE FUNDING COMMITMENT REPORT

Attached to this letter will be a report for each funding request from your application for which a commitment adjustment is required. We are providing the following definitions.

- **FUNDING REQUEST NUMBER (FRN):** A Funding Request Number is assigned by the SLD to each request in Block 5 of your Form 471 once an application has been processed. This number is used to report to applicants and service providers the status of individual discount funding requests submitted on a Form 471.
- **SPIN (Service Provider Identification Number):** A unique number assigned by the Universal Service Administrative Company to service providers seeking payment from the Universal Service Fund for participating in the universal service support programs.
- **SERVICE PROVIDER:** The legal name of the service provider.
- **CONTRACT NUMBER:** The number of the contract between the eligible party and the service provider. This will be present only if a contract number was provided on Form 471.
- **SERVICES ORDERED:** The type of service ordered from the service provider, as shown on Form 471.
- **SITE IDENTIFIER:** The Entity Number listed in Form 471 for "site specific" FRNs.
- **BILLING ACCOUNT NUMBER:** The account number that your service provider has established with you for billing purposes. This will be present only if a Billing Account Number was provided on your Form 471.
- **ADJUSTED FUNDING COMMITMENT:** This represents the adjusted total amount of funding that SLD has committed to this FRN. If this amount exceeds the Funds Disbursed to Date, the SLD will continue to process properly filed invoices up to the new commitment amount.
- **FUNDS DISBURSED TO DATE:** This represents the total funds which have been paid up to now to the identified service provider for this FRN.
- **FUNDS TO BE RECOVERED:** This represents the amount of Funds Disbursed to Date that exceed the Adjusted Funding Commitment amount. These funds will have to be recovered. If the Funds Disbursed to Date do not exceed the Adjusted Funding Commitment amount, this entry will be \$0.
- **FUNDING COMMITMENT ADJUSTMENT EXPLANATION:** This entry provides a description of the reason the adjustment was made.

Funding Commitment Report for Application Number: 149907

Funding Request Number 296212 SPIN: 143004662

Service Provider: Southwestern Bell Telephone Company

Contract Number: T

Services Ordered: TELCOMM SERVICES

Site Identifier:

Billing Account Number:

Adjusted Funding Commitment: \$0.00

Funds Disbursed to Date: \$14,796.91

Funds to be Recovered: \$14,796.91

Funding Commitment Adjustment Explanation:

After thorough investigation it has been determined that Denise Bodensteiner is associated with Southeast Educational Service Center, a service provider. Denise Bodcnsteiner is also the contact person on the Form 470: 536150000218457 that is referenced for this funding request. The Form 470 associated with this funding request contains service provider (SP) contact information, which violates the intent of the competitive bidding process. Competitive bidding violation occurs when a SP associated with the Form 470 participates in competitive bidding process as a bidder. As a result of the competitive bidding violation the SLD is rescinding the committed amount in full.

Funding Request Number 296223 SPIN: 143004662

Service Provider: Southwestern Bell Telephone Company

Contract Number: T

Services Ordered: TELCOMM SERVICES

Site Identifier:

Billing Account Number:

Adjusted Funding Commitment: \$0.00

Funds Disbursed to Date: \$9,873.00

Funds to be Recovered: \$9,873.00

Funding Commitment Adjustment Explanation:

After thorough investigation it has been determined that Denise Bodensteiner is associated with Southeast Educational Service Center, a service provider. Denise Bodensteiner is also the contact person on the Form 470: 536150000218457 that is referenced for this funding request. The Form 470 associated with this funding request contains service provider (SP) contact information, which violates the intent of the competitive bidding process. Competitive bidding violation occurs when a SP associated with the Form 470 participates in competitive bidding process as a bidder. As a result of the competitive bidding violation the SLD is rescinding the committed amount in full.

Exhibit 5



Universal Service Administrative Company
Schools & Libraries Division

COMMITMENT ADJUSTMENT LETTER

May 21, 2004

E-Rate Service Center
Southwestern Bell Telephone Company
406 North Carancahua, Room 450
Corpus Christi, TX 78401

Re: COMMITMENT ADJUSTMENT

Funding Year 2000 -2001

Form 471 Application Number: 204391

Applicant Name CHERRYVALE UNIF SCH DIST 447

Contact Person: DENISE BODENSTEINE Contact Phone: 316-724-6281

Dear Service Provider Contact:

Our routine reviews of Schools and Libraries Program funding commitments revealed certain applications where funds were committed in violation of program rules.

In order to be sure that no funds are used in violation of program rules, SLD must now adjust these funding commitments. The purpose of this letter is to inform you of the adjustments to these funding commitments required by program rules.

FUNDING COMMITMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Report for the Form 471 application cited above. The enclosed report includes a list of the FRNs from the application for which adjustments are necessary. The SLD is also sending this information to applicant, so that you may work with them to implement this decision. Immediately preceding the Funding Commitment Report, you will find a guide that defines each line of the Report.

Please note that if the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the funds disbursed. The amount is shown as Funds to be Recovered. We expect to send you a letter describing the process for recovering these funds in the near future, and we will send a copy of the letter to the applicant. If the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount.

TO APPEAL THIS DECISION:

If you wish to appeal the Funding Commitment Decision indicated in this letter, your appeal must be **POSTMARKED** within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and e-mail address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify which Commitment Adjustment Letter you are appealing. Your letter of appeal must include the Billed Entity Name, the Form 471 Application Number, and the Billed Entity Number from the top of your letter.
3. When explaining your appeal, copy the language or text from the Commitment Adjustment Letter that is at the heart of your appeal to allow the SLD to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep copies of your correspondence and documentation.
4. Provide an authorized signature on your letter of appeal.

If you are submitting your appeal on paper, please send your appeal to: Letter of Appeal, Schools and Libraries Division, Box 125- Correspondence Unit, 80 South Jefferson Road, Whippany, NJ 07981. Additional options for filing an appeal can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We encourage the use of either the e-mail or fax filing options.

While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC). You should refer to CC Docket Nos. on the first page of your appeal to the FCC. Your appeal must be **POSTMARKED** within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site, or by contacting the Client Service Bureau. We strongly recommend that you use either the e-mail or fax filing options.

A GUIDE TO THE FUNDING COMMITMENT REPORT

Attached to this letter will be a report for each funding request from your application for which a commitment adjustment is required. We are providing the following definitions.

- **FUNDING REQUEST NUMBER (FRN):** A Funding Request Number is assigned by the SLD to each request in Block 5 of your Form 471 once an application has been processed. This number is used to report to applicants and service providers the status of individual discount funding requests submitted on a Form 471.
- **SPIN (Service Provider Identification Number):** A unique number assigned by the Universal Service Administrative Company to service providers seeking payment from the Universal Service Fund for participating in the universal service support programs.
- **SERVICE PROVIDER:** The legal name of the service provider.
- **CONTRACT NUMBER:** The number of the contract between the eligible party and the service provider. This will be present only if a contract number was provided on Form 471.
- **SERVICES ORDERED:** The type of service ordered from the service provider, as shown on Form 471.
- **SITE IDENTIFIER:** The Entity Number listed in Form 471 for "site specific" FRNs.
- **BILLING ACCOUNT NUMBER:** The account number that your service provider has established with you for billing purposes. This will be present only if a Billing Account Number was provided on your Form 471.
- **ADJUSTED FUNDING COMMITMENT:** This represents the adjusted total amount of funding that SLD has committed to this FRN. If this amount exceeds the Funds Disbursed to Date, the SLD will continue to process properly filed invoices up to the new commitment amount.
- **FUNDS DISBURSED TO DATE:** This represents the total funds which have been paid up to now to the identified service provider for this FRN.
- **FUNDS TO BE RECOVERED:** This represents the amount of Funds Disbursed to Date that exceed the Adjusted Funding Commitment amount. These funds will have to be recovered. If the Funds Disbursed to Date do not exceed the Adjusted Funding Commitment amount, this entry will be \$0.
- **FUNDING COMMITMENT ADJUSTMENT EXPLANATION:** This entry provides a description of the reason the adjustment was made.

Funding Commitment Report for Application Number: 204391

Funding Request Number 475613 SPIN: 143004662
Service Provider: Southwestern Bell Telephone Company
Contract Number: T
Services Ordered: TELCOMM SERVICES
Site Identifier: 207162 CHERRYVALE SR/MIDDLE SCHOOL
Billing Account Number: NA
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date: \$9,540.30
Funds to be Recovered: \$9,540.30

Funding Commitment Adjustment Explanation:

After thorough investigation it has been determined that Denise Bodensteiner is associated with Southeast Educational Service Center, a service provider. Denise Bodensteiner is also the contact person on the Form 470: 774980000274415 that is referenced for this funding request. The Form 470 associated with this funding request contains service provider (SP) contact information, which violates the intent of the competitive bidding process. Competitive bidding violation occurs when a SP associated with the Form 470 participates in competitive bidding process as a bidder. As a result of the competitive bidding violation the SLD is rescinding the committed amount in full.

Funding Request Number 475618 SPIN: 143004662
Service Provider: Southwestern Bell Telephone Company
Contract Number: T
Services Ordered: TELCOMM SERVICES
Site Identifier:
Billing Account Number: 316-336-8100-854-8
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date: \$14,992.25
Funds to be Recovered: \$14,992.25

Funding Commitment Adjustment Explanation:

After thorough investigation it has been determined that Denise Bodensteiner is associated with Southeast Educational Service Center, a service provider. Denise Bodensteiner is also the contact person on the Form 470: 774980000274415 that is referenced for this funding request. The Form 470 associated with this funding request contains service provider (SP) contact information, which violates the intent of the competitive bidding process. Competitive bidding violation occurs when a SP associated with the Form 470 participates in competitive bidding process as a bidder. As a result of the competitive bidding violation the SLD is rescinding the committed amount in full.

Exhibit 6



Universal Service Administrative Company
Schools & Libraries Division

COMMITMENT ADJUSTMENT LETTER

May 21, 2004

E-Rate Service Center
Southwestern Bell Telephone Company
406 North Carancahua, Room 450
Corpus Christi, TX 78401

Re: COMMITMENT ADJUSTMENT

Funding Year 2000 -2001

Form 471 Application Number: 204523

Applicant Name FRONTENAC-CRAWFORD DIST 249

Contact Person: DENISE BODENSTEINE Contact Phone: 316-724-6281

Dear Service Provider Contact:

Our routine reviews of Schools and Libraries Program funding commitments revealed certain applications where funds were committed in violation of program rules.

In order to be sure that no funds are used in violation of program rules, SLD must now adjust these funding commitments. The purpose of this letter is to inform you of the adjustments to these funding commitments required by program rules.

FUNDING COMMITMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Report for the Form 471 application cited above. The enclosed report includes a list of the FRNs from the application for which adjustments are necessary. The SLD is also sending this information to applicant, so that you may work with them to implement this decision. Immediately preceding the Funding Commitment Report, you will find a guide that defines each line of the Report.

Please note that if the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the funds disbursed. The amount is shown as Funds to be Recovered. We expect to send you a letter describing the process for recovering these funds in the near future, and we will send a copy of the letter to the applicant. If the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount.

TO APPEAL THIS DECISION:

If you wish to appeal the Funding Commitment Decision indicated in this letter, your appeal must be POSTMARKED within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and e-mail address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify which Commitment Adjustment Letter you are appealing. Your letter of appeal must include the Billed Entity Name, the Form 471 Application Number, and the Billed Entity Number from the top of your letter.
3. When explaining your appeal, copy the language or text from the Commitment Adjustment Letter that is at the heart of your appeal to allow the SLD to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep copies of your correspondence and documentation.
4. Provide an authorized signature on your letter of appeal.

If you are submitting your appeal on paper, please send your appeal to: Letter of Appeal, Schools and Libraries Division, Box 125- Correspondence Unit, 80 South Jefferson Road, Whippany, NJ 07981. Additional options for filing an appeal can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We encourage the use of either the e-mail or fax filing options.

While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC). You should refer to CC Docket Nos. on the first page of your appeal to the FCC. Your appeal must be POSTMARKED within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site, or by contacting the Client Service Bureau. We strongly recommend that you use either the e-mail or fax filing options.

A GUIDE TO THE FUNDING COMMITMENT REPORT

Attached to this letter will be a report for each funding request from your application for which a commitment adjustment is required. We are providing the following definitions.

- **FUNDING REQUEST NUMBER (FRN):** A Funding Request Number is assigned by the SLD to each request in Block 5 of your Form 471 once an application has been processed. This number is used to report to applicants and service providers the status of individual discount funding requests submitted on a Form 471.
- **SPIN (Service Provider Identification Number):** A unique number assigned by the Universal Service Administrative Company to service providers seeking payment from the Universal Service Fund for participating in the universal service support programs.
- **SERVICE PROVIDER:** The legal name of the service provider.
- **CONTRACT NUMBER:** The number of the contract between the eligible party and the service provider. This will be present only if a contract number was provided on Form 471.
- **SERVICES ORDERED:** The type of service ordered from the service provider, as shown on Form 471.
- **SITE IDENTIFIER:** The Entity Number listed in Form 471 for "site specific" FRNs.
- **BILLING ACCOUNT NUMBER:** The account number that your service provider has established with you for billing purposes. This will be present only if a Billing Account Number was provided on your Form 471.
- **ADJUSTED FUNDING COMMITMENT:** This represents the adjusted total amount of funding that SLD has committed to this FRN. If this amount exceeds the Funds Disbursed to Date, the SLD will continue to process properly filed invoices up to the new commitment amount.
- **FUNDS DISBURSED TO DATE:** This represents the total funds which have been paid up to now to the identified service provider for this FRN.
- **FUNDS TO BE RECOVERED:** This represents the amount of Funds Disbursed to Date that exceed the Adjusted Funding Commitment amount. These funds will have to be recovered. If the Funds Disbursed to Date do not exceed the Adjusted Funding Commitment amount, this entry will be \$0.
- **FUNDING COMMITMENT ADJUSTMENT EXPLANATION:** This entry provides a description of the reason the adjustment was made.

Funding Commitment Report for Application Number: 204523

Funding Request Number 468665 SPIN: 143004662

Service Provider: Southwestern Bell Telephone Company

Contract Number: T

Services Ordered: TELCOMM SERVICES

Site Identifier:

Billing Account Number: 316-231-7550-256-7

Adjusted Funding Commitment: \$0.00

Funds Disbursed to Date: \$5,306.40

Funds to be Recovered: \$5,306.40

Funding Commitment Adjustment Explanation:

After thorough investigation it has been determined that Denise Bodensteiner is associated with Southeast Educational Service Center, a service provider. Denise Bodensteiner is also the contact person on the Form 470: 774980000274415 that is referenced for this funding request. The Form 470 associated with this funding request contains service provider (SP) contact information, which violates the intent of the competitive bidding process.

Competitive bidding violation occurs when a SP associated with the Form 470 participates in competitive bidding process as a bidder. As a result of the competitive bidding violation the SLD is rescinding the committed amount in full.